



SPECIAL JOINT MEETING

**MCDOWELL SONORAN PRESERVE COMMISSION
AND TOURISM DEVELOPMENT COMMISSION
7447 E. INDIAN SCHOOL ROAD
ONE CIVIC CENTER- 1st FLOOR
COMMUNITY DEVELOPMENT CONFERENCE ROOMS
SCOTTSDALE, ARIZONA 85251**

THURSDAY, MAY 4, 2006

MEETING MINUTES

PRESENT: Art DeCabooter, Chairman, McDowell Sonoran Preserve Commission
Councilman Wayne Ecton
Councilman W.J. "Jim" Lane
Councilman Ron McCullagh
Carla, McDowell Sonoran Preserve Commission
Erik Filsinger, McDowell Sonoran Preserve Commission
Joan Fudala, McDowell Sonoran Preserve Commission
Rand Hubbell, McDowell Sonoran Preserve Commission
Gerry Miller, McDowell Sonoran Preserve Commission
Solange Whitehead, McDowell Sonoran Preserve Commission
Virginia Korte, McDowell Sonoran Preserve Commission
Arnold Roy, McDowell Sonoran Preserve Commission
Gordon Zuckerman, Tourism Development Commission
John Holdsworth, Vice-Chairman, Tourism Development Commission
Tom Morrow, Tourism Development Commission
Ned Sickie, Chairman, Tourism Development Commission

ABSENT: Melinda Gulick, McDowell Sonoran Preserve Commission
Linda Whitehead, McDowell Sonoran Preserve Commission
Margaret Dunn, Tourism Development Commission
Jerry Gleason, Tourism Development Commission
Kieran MacDonald, Tourism Development Commission
Sally Shaffer, Tourism Development Commission

STAFF: Bob Cafarella, McDowell Sonoran Preserve Director
Scott Hamilton
Don Meserve
Claire Miller

ALSO PRESENT: Brent DeRaad, Scottsdale Convention and Visitors Bureau
Dan Gruber, McDowell Sonoran Conservancy Steward
B.J. Heggli, McDowell Sonoran Conservancy Steward
Mitch Nichols, Nichols Tourism Group
Tom Silverman, Desert Discovery Center Planning Committee

1. **CALL TO ORDER AND INTRODUCTIONS**

Chairman DeCabooter called the meeting to order at 5:06 p.m., noting the presence of a quorum. He welcomed the members of the Tourism Development Commission and asked those present to introduce themselves.

2. **Final Desert Discovery Center Concept Update and Market Refinement - Presentation by Consultant Team, Discussion/comments by Commissioners, and Possible Action on Recommended Next Steps to City Council**

Mr. Bob Cafarella, McDowell Sonoran Preserve Director, distributed a memo by Ms. Kathy O'Connor, Tourism Development Manager addressed to the Tourism Development Commission, briefly outlining the results of the report and some background information.

Mr. Cafarella outlined the history of a Desert Discovery Center in Scottsdale. Originally a location near Pinnacle Peak Park was discussed. The Center has always been intended to support the tourism industry. There are benefits to the Preserve, but the key is that this is a tourism-related amenity. The tourism industry community has taken a leading role in conceptualizing this facility.

In the late 90s when the gateway area of the Preserve was being identified as a site for the Desert Discovery Center, the Tourism Development Commission had a consultant examine the concept and how it could be funded and operated. The original concept had been for a traditional museum. After holding focus groups and discussions were organized by the consultant team, it was realized that the mountains and desert are the true amenity and the Desert Discovery Center does not need to be a large facility. After 2001 the project was on the back burner until the 2004 vote that provided additional funds for land acquisition for the Preserve.

Now the gateway is under design and if approved by City Council will go to construction early in fall 2007. The Desert Discovery Center Planning Committee has worked to move forward with this initiative. The Tourism Development Commission graciously provided some funds for a consultant to reexamine the 1999 plan and determine whether it was still appropriate.

Mr. Mitch Nichols of the Nichols Tourism Group addressed the meeting. He described the three principal changes from the 1999 report:

1. A public gateway access area has been planned.
2. Surrounding development has continued to evolve around the Desert Discovery Center site.
3. An "external Preserve" experience is increasingly sought.

Visitors have mentioned that the Sonoran Desert environment is an extremely important component of the Scottsdale experience, but that it is difficult to get a true Sonoran experience. The Desert Discovery Center is an element that will set the stage and facilitate the experience out in the Preserve.

Mr. Nichols described the elements considered important for the design of the Desert Discovery Center. The experience of arrival should signal to visitors that they are in the Sonoran Desert. Some components are expanded beyond what was envisioned in the 1999 report. They have added an orientation theater and educational interpretive areas. The desert concierge is intended to facilitate the Sonoran Desert experience with bike rentals, equestrian and other services. This will also provide an opportunity to educate visitors to all that Scottsdale has to offer. Retail stores and a café will be important elements. The amphitheater is designed to seat 400 people. The Desert Discovery Center is designed to set the stage and give visitors an understanding of how they can experience the Sonoran Desert and the majesty of the Preserve, using technology creatively and appropriately.

Mr. Nichols presented the Desert Discovery Center costs/operating summary. A 20,000 square foot building is estimated to cost approximately \$15.4 million. Some 240,000 visitors are expected annually. Mr. Nichols compared this to other Arizona museums, noting that this is believed to be a sustainable number of visitors.

Outcomes that are anticipated from the Desert Discovery Center include the following:

1. It will be a critical element in helping both residents and visitors enjoy a true Sonoran experience.
2. The integrated design of the facility takes advantage of the Gateway access.
3. The Desert Discovery Center provides a balanced approach that provides for staged introduction/exhibits, with actual McDowell Sonoran Preserve experiences, which is what many visitors are seeking.

Mr. Nichols noted that the next steps are to:

1. Pursue funding commitments, evaluate future fundraising needs and support.
2. Determine organizational entity for the day-to-day operation of the Desert Discovery Center, refine business plan/Gateway integration.
3. Move forward on refining design plans and construction drawings.

As plans become more concrete and detailed, the body that will operate the Desert Discovery Center will play an integral role in making final decisions.

Mr. Cafarella explained that a joint meeting was called because the consultant's work is done. The scope of the study was specifically kept limited. He acknowledged that there are some additional areas that need refinement. The hope was the two Commissions could discuss how the Desert Discovery Center will be operated, and provide feedback to the Desert Discovery Center Planning Committee. No approvals or specific recommendations are necessary.

Chairman DeCabooter thanked the three Councilmen for attending and invited input from members of both Commissions.

Commissioner Fudala asked whether anyone has indicated that they are willing to provide major funding for this. She inquired if naming rights are available. She wondered about the impact of fundraising for this and for the Western Heritage Museum in the City at the same time.

Mr. Tom Silverman of the Desert Discovery Center Planning Committee noted they have already been approached by people willing to make large donations. He felt that naming rights would be possible. The Tourism Development Commission has voted to recommend to City Council that the City fund the Desert Discovery Center in the amount of \$300,000 annually for ten years for bonding.

Mr. Nichols acknowledged that Scottsdale faces a challenge to work on proactive product development. Both the Desert Discovery Center and the Western Heritage Museum are worthwhile projects. Having an outline identifying the scale, costs and objectives of the Desert Discovery Center is an important step forward.

Commissioner Korte asked whether a funding feasibility study is among the next steps. Mr. Nichols replied that understanding the importance of the City's commitment and the importance of finding a major third-party donor, some additional study to identify fund-raising elements will be an important step.

Commissioner Fudala noted that recent discussions about improving Papago Park have stressed the Sonoran Desert experience as a selling point. She asked how the Desert Discovery Center will refine its message in light of this.

Mr. Nichols agreed that she raised an important point. Some of the same elements are being suggested for Papago Park. He believes that the plans are at a much earlier stage and the Papago environment is much more challenging. No matter what the outcome is with regard to Papago Park, he believes that there will be an opportunity for the Desert Discovery Center.

Commissioner Fudala expressed concern that there could be division within Scottsdale. Commissioner Carla noted this is a very valid point, but the reality is the two facilities would complement each other. She noted that throughout the Valley, major fundraising efforts are going on. The Western Heritage Museum has a different donor base than the Desert Discovery Center. Different projects are on different time frames, and there is a window of opportunity to move forward with fund-raising for the Desert Discovery Center.

Commissioner Solange Whitehead commented that the Desert Discovery Center experience different is very different from Papago Park because of the different environments.

Chairman Sickel hoped that operating expenses could be covered by users. He asked Mr. Nichols how the figure of 240,000 visitors annually was arrived at.

Mr. Nichols replied that they looked closely at other facilities in the Valley and in Tucson. They believe that visitors to Scottsdale want to experience the desert. The City has

invested in the Preserve. Adding the Desert Discovery Center will facilitate visits to the Preserve. He believes that the attendance numbers are reasonable and might be exceeded. The visitor industry needs to talk about the Sonoran environment to raise awareness. The suggested admission costs are moderate at \$6 per adult.

Commissioner Filsinger recalled he was a member of Desert Highlands when the original plan called for the Desert Discovery Center to be located at Pinnacle Peak Park. He believes that many Scottsdale citizens would be surprised and disappointed if the Desert Discovery Center is not established at the Preserve. He encouraged action to do this before development becomes a hindrance at the Preserve.

Mr. Nichols commented that planning and establishing the Desert Discovery Center would be facilitated if the planning is done in tandem with planning for the Gateway access.

Returning to Chairman Sickles' concern regarding attendance, Commissioner Korte asked whether Scottsdale residents would have a free pass. Mr. Nichols explained that this would be to the Preserve. They would still have to pay admission to enter the Desert Discovery Center. For the record, Commissioner Korte expressed concern on attendance levels. She doubts that first year attendance would be comparable with the Desert Botanical Garden or the Arizona-Sonora Desert Museum in Tucson, both of which are long established, well-known facilities.

Mr. Nichols responded that the theme of the Desert Discovery Center touches a much broader audience than either of those facilities. How the visitor industry embraces the concept will have a large influence on the success of the Center. Attendance is always a challenging factor. In response to a further question by Commissioner Korte, Mr. Nichols confirmed that marketing of the Desert Discovery Center will largely be cooperative. They have met with the Convention and Visitor Bureau about the need to tell visitors about the allure of the Mountain Preserve. He believes that the visitor industry will strongly support the Desert Discovery Center. Commissioner Korte suggested reviewing the marketing budget planned for the Center.

Commissioner Holdsworth commented that from a long-term perspective, the opportunity is undoubtedly there. In the short term, a significant fund-raising effort is required. He has some concerns about the level of effort to make a private/public enterprise of this nature work. It is important to act and take advantage of the opportunity. This was why he had made the motion which the Tourism Development Commission approved to recommend that the City commit funds to the Desert Discovery Center. The commitment should be contingent upon not just a fundraising effort, but the whole concept being sellable and maintainable.

Commissioner Holdsworth said that there are several things he would like to see result from these discussions: future leadership, governance, access. The study was limited and has not been refined. Now it is time to get serious and nail down details. Perhaps the numbers do need to be reviewed. He expressed a concern that talk will continue forever without resulting in any action. Many people are very committed to this project which will be a great asset for Scottsdale. He opined that they need put an oversight group in place.

Mr. Nichols concurred but cautioned that many of the details should not be refined until the oversight group is in place. Commissioner Holdsworth opined that it is now time to move to the next level and make sure that it is feasible.

Commissioner Roy remarked that Taliesin West attracts 120,000 visitors each year. The basic fee for entry is \$18. Mr. Nichols' attendance projections seem reasonable to him. Taliesin West offers a limited guided hike through the desert. Although far more limited in scope than what the Desert Discovery Center will offer it is a very popular program.

Noting that there are a number of free entry points to the Preserve, Commissioner Miller asked whether that had been taken into consideration in the comprehensive plan.

Mr. Nichols said that an estimated two thirds or more of the visitors to the Desert Discovery Center will be visitors from out of town who will want to use the services and assistance offered by the Center. They will be willing to pay the very moderate entry fee.

Commissioner Korte asked Mr. Cafarella how much money the preserve tax generates and whether any of those funds could be put into the project. Mr. Cafarella replied that City council would make that decision. Currently approximately \$12 to \$13 million is raised by the tax annually. There is no set percentage that can be spent on capital improvements. Commissioner Korte opined that would be a possible source of funding to investigate.

Commissioner Carla reminded the McDowell Sonoran Preserve Commission that the Commission's first obligation is to purchase the land.

Commissioner Fudala wanted to know who has been involved in the discussions. Specifically she asked whether there had been any contact with the Salt River Pima Maricopa Indian Community. Mr. Nichols replied that some of the exhibits could have a Native American story.

Mr. Heggli asked whether the projected staffing levels are sufficient. Mr. Nichols replied that the staffing assumes a moderate level of management and coordination and some internal staff. Volunteer support will be an important component, as will integration with other elements, such as the Desert Botanical Garden. With the desert concierge concept, they believe the technology and the ability to provide the stories in downloadable, self-directed experiences will be critical. This will enable the Desert Discovery Center to offer a deeper range of access and ability.

Commissioner Solange Whitehead added that the Desert Discovery Center is really a tourism function.

Mr. Nichols commented that many destinations across the country are facing the challenge of how to meaningfully deliver experiences.

Commissioner Holdsworth remarked that residents will enjoy the Desert Discovery Center as much as tourists. He feels that many residents will happily pay to access the services. Others can use the free entry points. This is the best of both worlds in his opinion. He noted that although this is a citizen-led initiative, the City must stand behind

it and support the Desert Discovery Center with funding, otherwise it will never come to fruition.

Chairman DeCabooter opined that the Preserve and the Desert Discovery Center complement each other.

In response to a question from Commissioner Fudala, Mr. Cafarella said that the next step is up to the Commissioners. The Desert Discovery Center Planning Committee has been the citizen group driving this initiative. The Committee needs some ideas of what to relay to others. Mr. Silverman reiterated that they have to determine which organization is going to run the Desert Discovery Center. This is probably the next step so that decisions can be taken.

Mr. Nichols suggested having some clarity in terms of the City's commitment to funding.

Commissioner Fudala asked how they would set about finding an organization to operate the Desert Discovery Center.

Commissioner Carla replied that she felt the Planning Committee should meet with the City Manager to report on support for the project. There would also be a meeting with a major private donor who is considering supporting the Desert Discovery Center. The City would likely have some input into which group would operate the Center. These steps need to go on parallel tracks so as not to lose momentum.

Chairman DeCabooter commented that it is significant that three members of City Council are in attendance and asked them for their thoughts.

Councilman Lane noted that without a structure, some indication of a private/public partnership with the City and some people who want to be involved in establishing and running the Center, donors will not have a sense of stability. He agreed that if there is a commitment from the City to provide funding and an understanding that a not-for-profit group would operate the Center, most people can recognize this platform and start to work within that program. He concurred that donors will have difficulty unless they perceive stable structure and a plan of governance.

Commissioner Korte opined that a decision by the City should be the first step to support this with contingencies. Then a separate 501(c)(3) can be formed.

Councilman Lane added that the City would need to determine the source of any City funding.

Councilman Ecton agreed that there must be a structure. Once the City has confirmed what it is willing to contribute, this will help the donors decide what they are willing to do. He believes that donors will be reluctant to contribute unless they can know the direction of the Desert Discovery Center and how it will be managed. In his opinion, that would be the next step, perhaps even before the City makes a commitment.

Commissioner Filsinger asked whether there is any action that should come from this group. A discussion ensued. Commissioner Carla noted that the Tourism Development Commission has already made a recommendation to City Council. The McDowell

Sonoran Preserve Commission could pass a resolution stating its agreement with the concept, taking note of some concerns and encouraging taking the next steps forward.

Commissioner Korte remarked that the Commission should take this one step further and state that not only does the Commission recommend this but it would also like to look into the possibility of some Preserve funding going into this project. She believes that there is a synergism with the Desert Discovery Center and the whole concept of the Preserve.

Chairman DeCabooter asked the members of the McDowell Sonoran Preserve Commission for their thoughts on carrying this over to the Commission's next meeting. Mr. Silverman commented that it would be nice to have something positive come out of tonight's meeting.

Commissioner Solange Whitehead commented she is supportive of this project. She did not want to get into detail at this point, feeling that the Commission does not have enough information. Commissioner Korte said she is suggesting that the McDowell Sonoran Preserve Commission pursue research into the possibilities. Commissioner Solange Whitehead stated she would be very comfortable with Commissioner Carla's motion.

COMMISSIONER KORTE MOVED THAT THE MCDOWELL SONORAN PRESERVE COMMISSION RECOMMEND TO CITY COUNCIL TO SUPPORT THE DESERT DISCOVERY CENTER CONCEPT AND LOOK INTO THE POSSIBILITY OF POTENTIAL FUNDING FROM THE PRESERVE FUNDS. COMMISSIONER FILSINGER SECONDED THE MOTION.

Commissioner Carla asked whether Commissioner Korte would entertain a friendly amendment to the second part of her motion, which is:

WITH THE KNOWLEDGE THAT THERE NEEDS TO BE FURTHER REFINEMENT OF THE OPERATING AND MANAGEMENT STRUCTURE, AS WELL AS EXPLORATION OF ALL FUNDING OPTIONS.

COMMISSIONER KORTE ACCEPTED THE AMENDMENT. COMMISSIONER FILSINGER SECONDED THE AMENDED MOTION.

THE MOTION CARRIED BY A VOTE OF EIGHT (8) TO ONE (1), WITH COMMISSIONER MILLER VOTING IN OPPOSITION.

Mr. Silverman thanked the McDowell Sonoran Preserve Commission for their support, adding that about a year and a half ago Mr. Cafarella and Commissioner Carla invited him to come out to the Preserve. As soon as he saw the site, he was convinced that this is a great location for the Desert Discovery Center. He noted that tourism is a major factor in the quality of life in Scottsdale. The Desert Discovery Center is good for everyone, not just for tourism.

Commissioner Korte opined that the Preserve will become Scottsdale's signature. The Desert Discovery Center will be the finishing touch and an incredible enhancement to Scottsdale quality of life.

Commissioner Solange Whitehead commented that the Preserve will be distinguished by its immensity. It is vital to purchase all the land to complete the Preserve.

3. **Commissioner Comments and Public Comments**

There were no additional Commissioner comments and no members of the public wished to address the meeting.

4. **ADJORNMENT**

With no further business to discuss, and no need for an executive session, the meeting adjourned at 6:22 p.m.

Respectfully submitted,
AV-Tronics, Inc.